

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 14, 2009
POSITION: Neutral

BILL NUMBER: SB 717
AUTHOR: G. Runner

BILL SUMMARY: Boating and Waterways

This bill would modernize and streamline the Department of Boating and Waterways (Boating) business process related to boating facilities loans made to public and private entities and the transfer of boating facilities to local agencies. In addition this bill would:

- Clean up obsolete language.
- Establish consistent penalties for boating misdemeanor and felony violations.
- Amend minimum age life jacket requirements, and court ordered boating safety course requirements.

FISCAL SUMMARY

Boating indicates the proposed changes to the boating facilities loan program and the private marina loan program would result in approximately \$3 million in additional revenue each fiscal year, beginning in the 2010-11 Budget Year. Local agencies (statewide) could potentially experience additional revenues of \$750,000 annually from the levy of updated misdemeanor and felony fines. Additionally, Boating indicates any costs associated with the bill should be minor and absorbable.

Finance believes that the provisions of SB 717 that impose requirements on local agencies would not be reimbursable because there are not material changes in policy and applying for a loan is an optional activity.

COMMENTS

Finance is neutral on this bill because it has no direct costs and concerns a policy matter on which we are neutral.

Boating funds, plans, and develops boating facilities on waterways throughout California and has responsibility for boating safety and education.

This bill would make changes to the business processes providing opportunities for increased revenues in the Harbors and Watercraft Revolving Fund (HWRF) by:

- Amending statute allowing Boating the discretion to transfer small craft harbors to local agencies and requiring the recipient of a small craft harbor to repay the HWRF. The amendment would also disallow deferred payments.
- Deleting the requirement for deferred payment by local agencies for costs associated with the acquisition, planning, development, or improvement of a small craft harbor. The provision which allows Boating to reimburse local agencies for revenue deficiencies associated with the operation of a small craft harbor would be deleted as well.
- Revising the loan condition to provide that the annual interest rate for an acquisition or a refinanced loan will be set by the commission.
- Allowing design costs for small craft harbor construction to be included in a loan for both public and private marinas.

(Continued)

Analyst/Principal (0635) M. Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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AUTHOR

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SB 717

COMMENTS (continued)

Additionally, the bill would:

- Specify penalties for boating misdemeanor and felony violations.
- Increase the requirement for a mandatory life vest usage age from 11 years old or younger to 13 years old or younger.
- Delete the requirement that the Department of Fish and Game restrict or prohibit recreational boating activities in the Agua Hedionda Lagoon in San Diego County while trying to control or eradicate an invasive weed.
- Require that local agencies provide certification annually of adequate shoreside facilities (pumpout stations, restrooms).
- Require a city, district, or county that has received funds to provide vessel pumpout facilities, oil recycling facilities, and solid waste receptacles, and require that these facilities meet minimum green building standards.

		SO	(Fiscal Impact by Fiscal Year)						
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP							Fund
Type	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
5300/Loan Repymts	RV	No		--	U	\$3,000	U	\$3,000	0516
3680/Boat & Water	SO	No		-----	No/Minor	Fiscal Impact	-----		0516
<u>Fund Code</u>	<u>Title</u>								
0516	Harbors and Watercraft Revolving Fund								